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STATE FOR ISN, T, SCA, TREASURY, NEA/IR

E.O. 12958: DECL: 11/21/2023

TAGS: ECON EFIN KNNP PARM IR KS PREL

SUBJECT: ROKG RESPONSE TO IRAN-O-HIND DEMARCHE

REF: A. STATE 121818

_B. STATE 111761

Classified By: Economic Minister Counselor Andrew Quinn Reasons: 1.4(B) and (D).

- 11. (SBU) On November 21, Deputy Econcouns and econoff met with Si-jin Song, First Secretary in MOFAT's North American Division I, and Sung-hwan Lee, Second Secretary in MOFAT's Middle East Division, to deliver demarche (Ref A). Song and Lee listened attentively and took notes on the presentation. Lee stated that MOFAT would distribute the information throughout the appropriate government agencies.
- 12. (SBU) When pushed for a response, Lee noted that shipbuilding is the backbone of exports and exports are the backbone of the Korean economy, particularly at a time of economic slowdown. He said there was considerable concern within the ROKG over the impact that such interventions on key industries such as shipbuilding could have on the overall economy. Song reaffirmed that MOFAT is very aware of the importance of this issue and would communicate the message to other ministries within the ROKG.
- 13. (S) Lee and Song both commented that previous U.S. demarches regarding IRISL have caused "commotion" between MOFAT and Iran as well as Korea's shipbuilding industries. Lee explained that while he understands why the U.S. considers its position to be consistent with UNSCR obligations, other ROKG ministries also consider shipbuilding contracts with Iran to be consistent because the "letter of the law" in UNSCR 1803 pertains to vigilance over cargo inspection, not shipbuilding. The meeting concluded with Lee reminding Deputy Econcouns of comments made by MOFAT Deputy Foreign Minister Lee Yong-joon in an October 14 meeting with Under Secretary Burns on the margins of the U.S.-Japan-ROK trilats indicating that the ROK would not cancel its current contracts with Iran (Ref B).
- 14. (SBU) Post will follow up with other key agencies.

STEPHENS